

REGIONAL SCHOOL DISTRICT NO. 17
BOARD OF EDUCATION
SPECIAL MEETING
Budget Workshop
March 11, 2013

A meeting of the Regional School District No. 17 Board of Education was held on March 11, 2013 in the Haddam-Killingworth Middle School Media Center. Board of Education Chair, Karen Perry, called the meeting to order at 8:36 PM.

Members Present: *Karen Perry, Chet Harris, Steven Banaletti, Jamie Lehane, Joel D'Angelo, Jeannie Young, Susan Dean, Sue Twachtman, and Becky Valenti*

Members Absent: *Amy Jacques-Purdy and Jonathan Wintsch*

Also Present: *Superintendent of Schools, Howard Thiery and Director of Fiscal Operations, Martha Vaughn, and Board Clerk Larissa Johnson*

Visitors: *2*

Call to Order/Opening of Meeting

Board of Education Chair, Karen Perry called the meeting to order at 8:36 PM.

Discussion of the Superintendent's Proposed 2013-2014 Budget

The Board discussed the Superintendent's Proposed 2013-2014 budget at length. Bob Lindberg of Lindberg & Ripple also made a presentation to the Board regarding the Health Insurance Reserve Fund.

Bob Lindberg explained the rate renewal process to the Board. He explained that the rates are estimated 10% higher this year than last year, 15% over an 18-month projection. Board Chair Karen Perry asked about the inconsistency in years prior between the project amount for the cost of insurance and the actual. Mr. Lindberg explained that the range falls into a margin of employees, in a group with a smaller number of employees there can be more volatility in the estimates. He explained that some groups which are three times larger have the same volatility. He explained that the Fund Balance is ahead and it gives the opportunity to respond to volatility. In the past it has been -2% or -5% for renewal rates, but it is now 12% which can be offset from the Fund Balance. The Board discussed this at length.

Sue Twachtman asked about the District becoming fully insured and asked for a cost comparison. Mr. Lindberg responded that under a fully-insured plan, there would be an additional 8-10% increase and that if the estimate for fees were high, the insurer would be able to keep the savings. Being self-insured, when the renewal estimates were higher than actual costs, the District has been able to build up its fund balance. Under a fully insured plan, the District would be unable to do that.

Board Chair Karen Perry asked Mr. Lindberg what is a comfortable reserve fund balance. Mr. Lindberg responded \$1.7-2.5 million. She asked him if he considered that to be a conservative range. He responded that \$2.5 million was conservative and that anything beyond that is really conservative. Mr. Lindberg also said that the projected 2013-2014 Fund Balance would be 2.5 million on a conservative basis. The Board discussed future renewal rates and fund balance at length.

Board Chair Karen Perry asked the Board if they had a comfort level with using \$400,000 of the Reserve Fund Balance to offset the insurance renewal rate. The Board agreed by nodding and Jamie Lehane responded that he felt it was fiscally conservative on both ends. Board Chair Karen Perry thanked Mr. Lindberg for his time.

Steven Banaletti asked Superintendent Thiery if there is anywhere they can downsize. He also asked about salary concession with teachers, administrators and staff. He asked if there could be a conversation with those unions regarding concessions. Chet Harris agreed and suggested that salary increases be frozen over individual line items.

Board Chair Karen Perry asked if Superintendent Thiery could look at the line for late buses, in the amount of \$65,000.

Superintendent Thiery suggested that the Board could reduce contribution to the Capital Reserve Fund in the amount of \$255,000 and fund it instead out of this year's budget surplus in the amount of \$190,000.

The Board also discussed the Worker's Compensation line item which is projecting an increase by \$105,000. Superintendent Thiery stated that the rates went up this year to \$89,000 and suggested that they could review some of the corresponding lines that covered the shortages this year and reduce those line items accordingly. The Board also talked about using some of the Capital Reserve Fund to cover New Equipment expenditures and appropriate Building Improvements. The Board asked for an itemized list of those items and the Worker's Compensation information.

The Board reviewed some of the changes they suggested, including offsetting the Health Insurance Renewal increase by \$400,000 from the Health Insurance Reserve Balance, reducing the Worker's Compensation line to \$90,000, and reducing the field maintenance line to \$80,000, line 439. They also talked about reviewing lines 730 and 720. The Board also talked about looking at the Out of District transportation line because the number of outplaced students decreased from 14 to 9.

Steven Banaletti asked about looking into a Pay to Play program to see what the value would be.

Adjournment

Board Chair, Karen Perry called for the meeting to adjourn at 9:53 PM.

Respectfully submitted,



Larissa B. Johnson
Board Clerk

Approval:  Date: 9/2/2013
Susan Dean, Secretary